2. Rourkela Steel Plant (RSP)

3. Bokaro Steel Plant (BSL)

(b) Approved costs of modernisation programmes are as given below:

DSP: Rs. 2,668 crores (Base: 3rd Qtr. 88)

RSP: Rs. 3,954 crores (Base: Ist Qtr. 92)

BSL: Rs. 1,793 crores (Base: Ist Qtr. 94)

(c) Yes, Sir.

The details of cost overrun are as follows:—

DSP: Approved cost: Rs. 2,668 crores (Base: 3rd Qtr. '88)

Anticipated cost: Rs. 4,867 crores (Base: 3rd Qtr. 97)

Cost overrun: Rs. 2,199 crores

77% of the cost overrun is due to monetary and fiscal reasons and remaining 23% is due to physical reasons.

RSP: Approved cost: Rs. 3,954 crores (Base: Ist Qtr. '92)

Anticipated cost: Rs. 5,112 crores (Base: 4th Qtr. '97)

Cost overrun: Rs. 1,158 crores

95% of the cost overrun is due to monetary and fiscal reasons and remaining 5% is due to physical reasons.

BSL: Approved cost: Rs. 1,793 crores (Base: Ist Qtr. 94)

Anticipated cost: Rs. 2,235 crores (Base: 3rd Qtr. 97)

Cost overrun: Rs. 442 crores

83% of the cost overrun is due to monetary and fiscal reasons and remaining 17% is due to physical reasons.

(d) Saleable steel production by these plants during 1995-96 and 1996-97 has been as follows:

Unit '000T

Plant	1995-96	1996-97
Durgapur Steel Plant	947	1093
Rourkela Steel Plant	1148	1180
Bokaro Steel Plant	3330	3046

(e (and) f) As per the existing policy, import of steel is freely allowed. It is neither cost effective nor economical for any country to produce all grades/specifications and qualities of steel specially where the quantities required are comparatively small. The producers of steel are constantly orienting their production to meet the market needs. Modernisation and expansion of steel plants of SAIL has been taken up with this objective. Since 1991, Government has also adopted various policy measures to encourage creation of additional steel production capacities in the private sector. With the setting up of steel plants in the private sector, a major portion of the demand for steel which is presently imported is likely to be met by indigenous production.

Stock of Finished Steel

533. SHRI GAYA SINGH:
SHRI GURUDAS DAS GUPTA:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the stock of finished steel in the steel mills in the country has increased towards the end of the year 1997; and

(b) if so, the details threof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes, Sir.

(b) The stocks of finished steel with the main producers increased to 1.95 million tonnes as on 31.12.97 as compared to 1.5 million tonnes as on 31.12.96. The market had subsequently picked up and the stocks got reduced to 1.63 million tonnes as on 31.3.98. The major reasons for increase in the stocks include:

(i) sluggish demand in steel consuming sectors;

(ii) overall economic slow-down in the country;

(iii) Greater competition from imports due to reduction in custom duties for finished steel; and

(iv) Dumping of finished steel in the country, particularly from CIS & South East Asian countries.